

REMARKS

In furtherance of the Notice of Appeal filed July 23, 2004, this is in response to the Office Action dated January 27, 2004.

Claim 1 stands rejected under 35 U.S.C. Section 103(a) as being allegedly unpatentable over Cretzler. This is a new ground of rejection. This new Section 103(a) rejection is respectfully traversed for at least the following reasons.

Claim 1 requires “said at least one tax register forwarding said transaction data and use tax data to one of the state agency and a credit card processing company for processing, wherein the transaction data includes at least an amount of money received by the merchant from the consumer for the goods; a first computer and corresponding first memory disposed at the state agency, the first computer and memory for receiving and storing the forwarded transaction data and use tax data from one of the credit card processing company and a merchant at the retailer location; and . . . tax register or credit card processing company to forward the transaction data and use tax data to said first computer and memory so that the transaction data and tax data from the retailer is automatically forwarded to the state agency and stored in the first memory in order to help enforce tax laws and prevent consumers or merchants from avoiding the payment of use tax.” It is clear that claim 1 requires that both use tax data and transaction data (including at least \$ received by the merchant or retailer from the consumer for a transaction) be forwarded to the state agency or state authorized authority. By forwarding both transaction data together with use tax data, auditing can be more easily achieved and carried out in order to help prevent merchants from paying taxes which they owe. Cretzler fails to disclose or suggest these aspects of claim 1.

Cretzler relates to a system that merely sends the total sum of taxes collected to a tax authority bank (e.g., col. 4, line 55 to col. 5, line 7). Cretzler fails to disclose or suggest sending

transaction data (including \$ received by a merchant or retailer) along with tax data to a state agency. To the contrary, Cretzler teaches directly away from the invention of claim 1 by requiring that only the tax be sent to the state agency (i.e., *not* any transaction data). As a result of this fundamental failure with respect to Cretzler, auditing cannot be easily carried out and certain advantages associated with the instant invention cannot be realized. Cretzler is thus fundamentally flawed in this regard, and cannot render claim 1 unpatentable in any way.

The Office Action admits that the aforesaid requirements of claim 1 are not disclosed by Cretzler. However, the Office Action contends that these features are obvious. However, there is absolutely no suggestion in Cretzler for sending transaction data (including \$ received by a merchant or retailer) along with tax data to a state agency. To the contrary, Cretzler teaches directly away from the invention of claim 1 by requiring that only the tax be sent to the state agency (i.e., *not* any transaction data). There cannot possibly be any suggestion in the art of record for the invention of claim 1, especially since Cretzler teaches directly away from claim 1 by requiring that no transaction data be sent. The Section 103(a) rejection should be withdrawn.

Claim 9 also requires that transaction data be sent along with use tax data to a state authorized entity. As discussed above, Cretzler fails to disclose or suggest this aspect of claim 9.

New claim 15 requires that the register comprises a declining register. The cited art fails to disclose or suggest this aspect of claim 15.

For at least the foregoing reasons, it is respectfully requested that all rejections be withdrawn and the application passed to issue. If any minor matter remains to be resolved, the Examiner is invited to telephone the undersigned with regard to the same.

FRANCISCO

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Respectfully submitted,

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